



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST ANNOUNCES STRONG FOURTH QUARTER AND YEAR END RESULTS

Toronto, Ontario, March 27, 2020. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV: FCD.UN) is pleased to report today its financial results for the three and twelve months ended December 31, 2019.

PROPERTY PORTFOLIO HIGHLIGHTS

The portfolio consists of 74 commercial properties with a total GLA of 4,153,997 square feet (2,305,331 square feet on an owned interest basis) and interests in two apartment complexes comprised of 204 apartment units. The portfolio is well diversified in terms of geographies and property asset types.

TENANT DIVERSIFICATION

The portfolio is well diversified by tenant profile with no tenant accounting for more than 11.5% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 30.7% of total net rent.

FOURTH QUARTER AND 2019 HIGHLIGHTS

The Trust is pleased to report the following strong results as a result of its accretive acquisition activity and internal growth initiatives:

- Net income for the three months ended December 31, 2019 was approximately \$20.4 million, a 436% increase compared to the \$3.8 million reported for the three months ended September 30, 2019, and a 639% increase over the \$2.8 million reported for the three months ended December 31, 2018. Net income for the year ended December 31, 2019 was approximately \$35.7 million, a 126% increase compared to the \$15.8 million reported for the year ended December 31, 2018;
- \$7.47 Net Asset Value (“NAV”) per Unit based on a IFRS book value of equity of approximately \$229.0 million. This is a 6.4% increase over the \$7.02 NAV reported at September 30, 2019;
- On an IFRS basis, NOI for the three months ended December 31, 2019 was approximately \$6.8 million, in line with the \$6.8 million reported for the three months ended September 30, 2019 and a 100% increase in comparison to the \$3.4 million reported for the three months ended December 31, 2018. NOI for the year ended December 31, 2019 was approximately \$23.0 million, a 75% increase over the \$13.1 million reported for the year ended December 31, 2018;

- On a cash basis (“**Cash NOI**”), for the three months ended December 31, 2019 was approximately \$6.7 million, largely in line with the \$6.7 million reported for the three months ended September 30, 2019 and a 98% increase over the \$3.4 million reported for the three months ended December 31, 2018. Cash NOI for the year ended December 31, 2019 was approximately \$22.6 million, a 72% increase over the \$13.1 million reported for the year ended December 31, 2018;
- Funds From Operations (“**FFO**”) for the three months ended December 31, 2019 was approximately \$3.4 million, a 24% increase over the \$2.8 million reported for the three months ended September 30, 2019, and a 64% increase over the \$2.1 million reported for the three months ended December 31, 2018;
- Adjusted Funds From Operations (“**AFFO**”) for the three months ended December 31, 2019 was approximately \$3.4 million, an 11% increase over the \$3.1 million reported for the three months ended September 30, 2019 and a 92% increase over the \$1.8 million reported for the three months ended December 31, 2018;
- FFO for the year ended December 31, 2019 was approximately \$11.4 million, a 47% increase over the \$7.8 million reported for the year ended December 31, 2018. AFFO for the year ended December 31, 2019 was approximately \$11.2 million, a 58% increase over the \$7.1 million reported for the year ended December 31, 2018;
- FFO per Unit was \$0.125 for the three months ended December 31, 2019, a 20% increase over the \$0.105 for the three months ended September 30, 2019 and a 5% increase over the \$0.119 for the three months ended December 31, 2018. FFO per Unit was \$0.480 for the year ended December 31, 2019, a 3% increase over the \$0.466 for the year ended December 31, 2018;
- AFFO per Unit was \$0.125 for the three months ended December 31, 2019, a 7% increase compared to the \$0.117 per Unit reported for the three months ended September 30, 2019 and a 24% increase over the \$0.101 per Unit reported for the three months ended December 31, 2018. AFFO per unit was \$0.468 for the year ended December 31, 2019, a 10% increase over the \$0.424 for the year ended December 31, 2018;
- Average net rents increased 0.1% - 1.3% across all asset classes since September 30, 2019. From year ended December 31, 2018 average net rents increased 4.1% - 10.5% across all asset classes;
- Commercial occupancy was 95.8% while residential occupancy was 98.9%; and
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 49.8%.

	Three Months			Twelve Months		Three Months		Twelve Months
	Dec 31, 2019	Sept 30, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	Sept 30, 2019	Dec 31, 2018	Dec 31, 2018
Rental Revenue	\$ 10,614,406	\$ 10,432,798	\$ 5,626,549	\$ 36,155,762	\$ 22,060,522	2%	89%	64%
NOI								
- IFRS Basis	\$ 6,754,443	\$ 6,788,600	\$ 3,370,036	\$ 22,990,801	\$ 13,121,113	(1%)	100%	75%
- Cash Basis	\$ 6,662,922	\$ 6,657,450	\$ 3,369,792	\$ 22,597,544	\$ 13,108,049	0%	98%	72%
Net Income	\$ 20,435,016	\$ 3,815,843	\$ 2,764,361	\$ 35,721,396	\$ 15,828,890	436%	639%	126%
FFO	\$ 3,415,584	\$ 2,765,130	\$ 2,088,395	\$ 11,442,688	\$ 7,773,169	24%	64%	47%
AFFO	\$ 3,399,387	\$ 3,062,646	\$ 1,769,007	\$ 11,164,054	\$ 7,070,716	11%	92%	58%
FFO Per Unit	\$ 0.125	\$ 0.105	\$ 0.119	\$ 0.480	\$ 0.466	20%	5%	3%
AFFO Per Unit	\$ 0.125	\$ 0.117	\$ 0.101	\$ 0.468	\$ 0.424	7%	24%	10%
Distributions Per Unit	\$ 0.120	\$ 0.120	\$ 0.115	\$ 0.480	\$ 0.460		4%	4%
Payout Ratios								
- FFO	96%	114%	97%	100%	99%			
- AFFO	96%	103%	114%	103%	108%			

TRANSACTIONAL ACTIVITY

- Compelling 2019 Total Return that is 96% Return of Capital:** Including distribution reinvestment, the 2019 total return for the Trust was approximately 20%, largely in line with the S&P/TSX Capped REIT Index. Further, 96% of the Trust's distributions were Return of Capital;
- \$220 Million in Acquisitions:** Since the beginning of 2019, the Trust has completed \$220 million in acquisitions, comprised of four commercial portfolios for approximately \$417 million (100% including transaction costs) or approximately \$209 million at the Trust's pro-rata proportionate interest along with a multi-residential property for approximately \$11.5 million (including transaction costs);
- \$85 Million of Equity Issued:** Since the beginning of 2019, the Trust has issued \$84 million from treasury in the form of brokered public offerings and non-brokered private placements. The Trust has also issued \$1.2 million of Trust Units from treasury through the exercising of Trust unit options;
- \$179 Million of New and Assumed Mortgage Financings:** Since the beginning of 2019, the Trust has completed \$179 million of new and assumed financing at a 3.54% weighted average interest rate;
- Announced Increased Distributions by 4.2% to \$0.50 per Unit:** As a result of the Trust's accretive acquisition activity and higher rents achieved it announced its seventh distribution increase in seven years of 4.2% to \$0.50 per Trust Unit on an annualized basis or \$0.041667 per month commencing January 2020. This represents a cumulative increase since inception of 42.9%; and
- Declaration of Monthly Distributions:** The Trust is pleased to announce that it has declared and approved monthly distributions of \$0.041667 per Trust Unit for Unitholders of record on April 30, 2020 payable on or about May 15, 2020.

For the complete financial statements, Management's Discussion & Analysis and supplementary information, please visit www.sedar.com or the Trust's website at www.firmcapital.com

DISTRIBUTION REINVESTMENT PLAN & UNIT PURCHASE PLAN

The Trust has in place a Distribution Reinvestment Plan (“**DRIP**”) and Unit Purchase Plan (the “**UPP**”). Under the terms of the DRIP, FCPT’s Unitholders may elect to automatically reinvest all or a portion of their regular monthly distributions in additional Units, without incurring brokerage fees or commissions. Under the terms of the UPP, FCPT’s Unitholders may purchase a minimum of \$1,000 of Units per month and maximum purchases of up to \$12,000 per annum. Management and trustees have not participated in the DRIP or UPP to date and own approximately 7% of the issued and outstanding trust units of the Trust.

ABOUT FIRM CAPITAL PROPERTY TRUST

Firm Capital Property Trust is focused on creating long-term value for Unitholders, through capital preservation and disciplined investing to achieve stable distributable income. In partnership with management and industry leaders, The Trust’s plan is to own as well as to co-own a diversified property portfolio of multi-residential, flex industrial, net lease convenience retail, and core service provider professional space. In addition to stand alone accretive acquisitions, the Trust will make joint acquisitions with strong financial partners and acquisitions of partial interests from existing ownership groups, in a manner that provides liquidity to those selling owners and professional management for those remaining as partners. Firm Capital Realty Partners Inc., through a structure focused on an alignment of interests with the Trust sources, syndicates and property and asset manages investments on behalf of the Trust.

FORWARD LOOKING INFORMATION

This press release may contain forward-looking statements. In some cases, forward-looking statements can be identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", and by discussions of strategies that involve risks and uncertainties. The forward-looking statements are based on certain key expectations and assumptions made by the Trust. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Although management of the Trust believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that future results, levels of activity, performance or achievements will occur as anticipated. Neither the Trust nor any other person assumes responsibility for the accuracy and completeness of any forward-looking statements, and no one has any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or such other factors which affect this information, except as required by law.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, which may be made only by means of a prospectus, nor shall there be any sale of the Units in any state, province or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of any such state, province or other jurisdiction. The Units of the Firm Capital Property Trust have not been, and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or delivered in the United States absent registration or an application for exemption from the registration requirements of U.S. securities laws.

Certain financial information presented in this press release reflect certain non-International Financial Reporting Standards (“IFRS”) financial measures, which include NOI, FFO and AFFO. These measures are commonly used by real estate investment entities as useful metrics for measuring performance and cash flows, however, they do not have standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other real estate investment entities. These terms are defined in the Trust’s Management Discussion and Analysis (“MD&A”) for the three and twelve months ended December 31, 2019 as filed on www.sedar.com.

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